Individual State Agency Fiscal Note

	B Title:	Ag	gency: 300-Dept of Health Serv			
art I: Estimates	•			•		
No Fiscal Impact						
stimated Cash Receipt	ts to:					
FUND		FY 2008	FY 2009	2007-09	2009-11	2011-13
General Fund-Federal	001-2	15,810,	000 18,801,00	00 34,611,0	00 37,602,000	37,602,00
	Total \$	15,810,	000 18,801,00	34,611,0	00 37,602,000	37,602,00
stimated Expenditures	s from:					
		FY 2008	FY 2009	2007-09	2009-11	2011-13
Fund						
General Fund-State	001-1	15,086,000	17,692,000	32,778,000	35,384,000	35,384,00
General Fund-Federal	001-2	15,810,000	18,801,000	34,611,000	37,602,000	37,602,00
	Total \$	30,896,000	36,493,000	67,389,000	72,986,000	72,986,00
	1000 \$	30,896,000	36,493,000[67,389,000	72,986,000	72,986,00
The cash receipts and es	xpenditure estimates on appropriate), are explai	this page represent to ined in Part II.	he most likely fiscal in			
	xpenditure estimates on appropriate), are explai	this page represent to ined in Part II.	he most likely fiscal in			

Legislative Contact:		Phone:	Date: 02/06/2007
Agency Preparation:	Melissa Clarey	Phone: 360-902-7831	Date: 02/12/2007
Agency Approval:	Sue Breen	Phone: 360-902-8183	Date: 02/14/2007
OFM Review:	Eric Mandt	Phone: 360-902-0543	Date: 02/14/2007

Capital budget impact, complete Part IV.

Requires new rule making, complete Part V.

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill proposes changes to payments for Medicaid contracted services in boarding homes.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Title XIX

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The bill would make the following changes to payments for Medicaid contracted services in boarding homes.

Section 1 adds a new section to RCW 18.20.

Effective July 1, 2007, the rates for boarding home Medicaid contracted services shall be established using the home and community rates model established by the department. The payment rates shall be adjusted for acuity classification groups and geographic areas. For the July 1, 2007 rates, the adjustment for the economic trends and conditions factor is the lower of the calculated percentage change of the actual index from the quarter ending June 30, 2005, compared to the forecasted index for the quarter ending June 30, 2007, or six percent. The department used six percent to calculate the FY08 fiscal impact.

Beginning July 1, 2009, rates established on each subsequent July 1st occurring in odd-numbered years, the June 30th rate in each year shall be adjusted by a factor determined by the percentage change Consumer Price Index (CPI) for all urban consumers. The rate period for July 2009, the adjustment factor is the calculated percentage change of the actual index from the quarter ending June 30, 2007, compared to the actual index for the quarter ending June 30, 2008.

The bill requires the department to use an index value that has not yet been created. This information will not be available during the budget setting cycle for the second year of any future biennium. Therefore, to calculate the CPI portion of the bill, the department used a three year average of 2.97 percent.

This fiscal note only includes the fiscal impact for providing the rate increase to boarding homes. Boarding homes and adult family homes serve the same clients. Typically, when a rate increase is given to boarding homes, adult family homes also receive the same increase. If this increase isn't granted to adult family homes this may result in access problems to this level of service. The fiscal impact for adult family homes in FY08 is \$26,983,457 total funds, \$13,176,022 General Fund-State (GF-S), and \$31,936,146 total funds, \$15,482,644 GF-S in FY09.

Request # SB-5904-1

Form FN (Rev 1/00) 2 Bill # <u>5904 SB</u>

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	30.896.000	36,493,000	67,389,000	72,986,000	72,986,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$30,896,000	\$36,493,000	\$67,389,000	\$72,986,000	\$72,986,000

III. C - Expenditures By Program (optional)

Program	FY 2008	FY 2009	2007-09	2009-11	2011-13
Developmental Disabilities (040)	1.426.000	1.584.000	3.010.000	3.168.000	3.168.000
Long Term Care (050)	29.470.000	34,909,000	64.379.000	69.818.000	69.818.000
Total \$	30,896,000	36,493,000	67,389,000	72,986,000	72,986,000

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

HC Model Rates Adjustment

100.20%

Ben Wang 02/02/07 DEM Revised 02/06/07

0.5152

0.4848

	100.20%				6.00%				0.5117	0.4883	2.97%				0.5152	0.4848	
HC Model Rate																	
	HC Model	Current	HC Model	HC Model	FY08	FY08	FY08	FY08	FY08	FY 08	FY09	FY09	FY09	FY09	FY09	FY 09	
LTC	Weight Rate	Residents	Per Day	Per Year	Weight Rate	Residents	Per Day	Per Year	Fed Share	State Share	Weight Rate	Residents	Per Day	Per Year	Fed Share	State Share	07/09 Total
AL	\$71.18	4,975	\$354,100	\$129,246,672	\$75.45	4,975	\$375,347	\$137,376,819	\$70,295,718	\$67,081,101	\$77.69	4,975	\$386,494	\$141,070,416	\$72,679,479	\$68,390,938	\$278,447,236
ARC/EARC	\$69.89	1,806	\$126,218	\$46,069,718	\$74.08	1,806	\$133,792	\$48,967,693	\$25,056,768	\$23,910,924	\$76.28	1,806	\$137,765	\$50,284,268	\$25,906,455	\$24,377,813	\$99,251,961
LTC Total		6,781	\$480,319	\$175,316,390		6,781	\$509,138	\$186,344,512	\$95,352,487	\$90,992,025		6,781	\$524,259	\$191,354,684	\$98,585,933	\$92,768,751	\$ 377,699,196
DD																	
ARC/EARC	\$66.95	210	\$14,059	\$5,131,609	\$70.97	210	\$14,903	\$5,454,408	\$2,791,021	\$2,663,388	\$73.07	210	\$15,345	\$5,601,059	\$2,885,666	\$2,715,393	\$11,055,467
Total LTC and DD HC Model Cost																	
AL	\$71.18	4,975	\$354,100	\$129,246,672	\$75.45	4,975	\$375,347	\$137,376,819	\$70,295,718	\$67,081,101	\$77.69	4,975	\$386,494	\$141,070,416	\$72,679,479	\$68,390,938	\$278,447,236
ARC/EARC	\$69.58	2,016	\$140,278	\$51,201,327	\$73.76	2.016	\$148,694	\$54,422,101	\$27,847,789	\$26,574,312	\$75.95	2.016	\$153,110	\$55,885,327	\$28,792,120	\$27.093.206	\$110,307,428
Total LTC and DD Cost		6,991	\$494,378			6,991	\$524,041	\$191,798,920	\$98,143,507	\$93,655,413		6,991	\$539,605	\$196,955,743			\$388,754,664
					VRI						VRI						
07/01/06 Rate Cost					0.00%						0.00%						
	Current	Current	Current	Current	FY08	FY08	FY08	FY08	FY08	FY 08	FY09	FY09	FY09	FY09	FY08	FY 08	
LTC	Weight Rate	Residents	Per Day	Per Year	Weight Rate	Residents	Per Day	Per Year	Fed Share	State Share	Weight Rate	Residents	Per Day	Per Year	Fed Share	State Share	07/09 Total
AL	\$65.79	4,975	\$327,325	\$119,473,789	\$65.79	4,975	\$327,325	\$119,801,115	\$61,302,230	\$58,498,884	\$65.79	4,975		\$119,473,789	\$61,552,896	\$57,920,893	\$239,274,904
ARC/EARC	\$56.09	1.806	\$101,295	\$36,972,646	\$56.09	1.806	\$101,295	\$37.073.941	\$18,970,735	\$18,103,205	\$56.09	1,806	\$101,295	\$36,972,646	\$19,048,307	\$17.924.339	\$74,046,587
LTC Total		6,781	\$428,620			6,781	\$428,620	\$156,875,055				6,781		\$156,446,435		\$75,845,232	\$313,321,490
															, , , , , , , , , , , , , , , , , , , ,		
DD																	
ARC/EARC	\$52.42	210	\$11,007	\$4,017,723	\$52.42	210	\$11,007	\$4,028,730	\$2,061,501	\$1,967,229	\$52.42	210	\$11,007	\$4,017,723	\$2,069,931	\$1,947,792	\$8,046,453
07/01/06 Rates LTC and DD Total Cost																	
AL	\$65.79	4,975	\$327,325	\$119,473,789	\$65.79	4,975	\$3,822	\$1,398,852	\$61,302,230	(\$59.903.378)	\$65.79	4,975	\$327.325	\$119,473,789	\$61,552,896	\$57.920.893	\$120,872,641
ARC/EARC	\$55.71	2.016	\$112,302	\$40,990,369	\$55.71	2.016	\$112,302	\$41,102,671	\$21.032.237	\$20.070.434	\$55.71	2.016	\$112,302	\$40,990,369	\$21,118,238	\$19.872.131	\$82.093.040
LTC and DD Total		6,991	\$439,628	\$160,464,158		6,991	\$116,124	\$42,501,523	\$82,334,467	(\$39,832,944))	6,991	\$439,628	\$160,464,158	\$82,671,134	\$77,793,024	\$202,965,681
Increase HC Model Cost Vs. 07/01/06 Cost Leve	el																
LTC																	
AL	\$5.38	0	\$26,775	\$9,772,883	\$9.65	0	\$48,021	\$17,575,705	\$8,993,488	\$8,582,217	\$11.89	0	\$59,169	\$21,596,627	\$11,126,582	\$10,470,045	\$39,172,332
ARC/EARC	\$13.80	0	\$24,923	\$9,097,072	\$17.99	0	\$32,497	\$11,893,752	\$6,086,033	\$5,807,719	\$20.19	0	\$36,470	\$13,311,622	\$6,858,148	\$6,453,474	\$25,205,374
LTC Total		0	\$51,699	\$18,869,955		0	\$80,518	\$29,469,456	\$15,079,521	\$14,389,936		0	\$95,639	\$34,908,249	\$17,984,730	\$16,923,519	\$64,377,706
DD																	
ARC/EARC	\$14.53	0	\$3,052	\$1,113,886	\$18.55	0	\$3,895	\$1,425,678	\$729,519	\$696,159	\$20.66	0	\$4,338	\$1,583,336	\$815,735	\$767,601	\$3,009,014
Total LTC and DD Increase		0	\$54,750	\$19,983,842		0	\$84,413	\$30,895,134	\$15,809,040	\$15,086,094		0	\$99,977	\$36,491,585	\$18,800,465	\$17,691,121	\$67,386,720
	A	В	С	D (A - B)	E (B - C)	F (A - C)	G	Н									

6.00%

	A	В	С	D (A - B)	E (B - C)	F (A - C)	G	Н	I
Compare with WAHSA Proposed	WAHSA Proposed	HC Model	Current Rates	Difference	Difference	Difference	D X 48.6598%	E X 48.6598%	F X 48.6598%
	FY08 - FY09	FY08 - FY09	FY08 - FY09	FY08 - FY09	FY08 - FY09	FY08 - FY09	FY08 - FY09	FY08 - FY09	FY08 - FY09
LTC	LTC Biennium	LTC Biennium	LTC Biennium	LTC Biennium	LTC Biennium	LTC Biennium	State Inc Cost	State Inc Cost	State Inc Cost
AL	\$278,293,131	\$278,071,889	\$238,947,579	\$221,242	\$39,124,311	\$39,345,553	\$107,656	\$19,037,811	\$19,145,467
ARC/EARC	\$99,207,919	\$99,118,169	\$73,945,292	\$89,750	\$25,172,878	\$25,262,627	\$43,672	\$12,249,072	\$12,292,744
Total	\$377,501,050	\$377,190,058	\$312,892,870	\$310,992	\$64,297,188	\$64,608,180	\$151,329	\$31,286,883	\$31,438,211

	Model Rate	07/01/06 Rate	Total Increase	FY08		F۱	′09	07/0	09
				GF-F	GF-S	GF-F	GF-S	GF-F	GF-S
LTC AL/ARC/EARC	\$377,699,196	\$313,321,490	\$64,377,706	\$15,080,000	\$14,390,000	\$17,985,000	\$16,924,000	\$33,065,000	\$31,314,000
DD ARC/EARC Cost	\$11,055,467	\$8,046,453	\$3,009,014	\$730,000	\$696,000	\$816,000	\$768,000	\$1,546,000	\$1,464,000
Total Impact	\$388,754,664	\$321,367,944	\$67,386,720	\$15,810,000	\$15,086,000	\$18,801,000	\$17,692,000	\$34,611,000	\$32,778,000

Total 07/09 BI \$67,389,000

VRI

2.97%

0.4883

0.5117

Wages Data per Department of Employment Security 2005 wages survey data Note:

> Administration and Operation Expenses per 2005 nursing home cost report selected account 25 PCT adjusted cost Payroll Tax and Fringe benefits per 2005 nursing home cost report 25 PCT cost.

Assisted Living August 2004 (section 12 page 16) Calculator Method D, Good, Cost / Sq. Ft. Adult Resident Care November 2004 section 12 page 10/ Calculation Welhold D, Good, Cost/ 3q. Ft.
Adult Resident Care November 2004 section 11 page 23 calculator Method D, Average, Cost/Sq. Ft.
Adult Family Home August 2004 Section 12 Page 20 Class D, Average, Sq. Ft.
April 2006 Washington State Local Multipliers index

April 2006 Current Cost Multipliers Index

Federal Reserve Board: Selected Long-Term Rates 10 years Composite Treasury Bond rate May 23 2006

BH, AFH 25 PCT 2005 Nursing Home Data Home and Community Rate Model Summary - Includes AFH	HC Model Rates Adju 100.20%	ustment			VRI 6.00%				0.5117	0.4883	VRI 2.97%				0.5152	0.4848	Ben Wang 02/02/07 DEM Revised 02/06/07
HC Model Rate	HO Madal	0	LIO Mardal	HC Model	E\/00	F)/00	E)/00	E)/00	EV/00	EV 00	F)/00	EV/00	F)/00	EV/00	EV00	F)/ 00	
HC	HC Model Weight Rate	Current Residents	HC Model Per Day	Per Year	FY08 Weight Rate	FY08 Residents	FY08 Per Day	FY08 Per Year	FY08 Fed Share	FY 08 State Share	FY09 Weight Rate	FY09 Residents	FY09 Per Day	FY09 Per Year	FY09 Fed Share	FY 09 State Share	07/09 Total
AL	\$71.18	4,975	\$354,100	\$129,246,672	\$75.45	4,975	\$375,347	\$137,376,819	\$70,295,718	\$67,081,101	\$77.69	4,975	\$386,494	\$141,070,416	\$72,679,479	\$68,390,938	\$278,447,236
ARC/EARC AFH	\$69.89 \$77.83	1,806 4,061	\$126,218 \$316,084	\$46,069,718 \$115,370,580	\$74.08 \$82.50	1,806 4,061	\$133,792 \$335,049	\$48,967,693 \$122,627,863	\$25,056,768 \$62,748,678	\$23,910,924 \$59,879,186	\$76.28 \$84.95	1,806 4,061	\$137,765 \$345,000	\$50,284,268 \$125,924,911	\$25,906,455 \$64,876,514	\$24,377,813 \$61,048,397	\$99,251,961 \$248,552,775
HC Total	\$73.46	10,842	\$796,403	\$290,686,970	\$77.86	10,842	\$844,187		\$158,101,164		\$80.18	10,842				\$153,817,148	
22																	
DD ARC/EARC	\$66.95	210	\$14,059	\$5,131,609	\$70.97	210	\$14,903	\$5,454,408	\$2,791,021	\$2,663,388	\$73.07	210	\$15,345	\$5,601,059	\$2,885,666	\$2,715,393	\$11,055,467
AFH	\$74.72	1,624	\$121,341	\$44,289,350	\$79.20	1,624	\$128,621	\$47,075,332	\$24,088,447	\$22,986,885	\$81.55	1,624	\$132,441	\$48,341,028	\$24,905,298	\$23,435,730	\$95,416,360
DD Total	\$73.83	1,834	\$135,400	\$49,420,959	\$78.26	1,834	\$143,524	\$52,529,740	\$26,879,468	\$25,650,272	\$80.58	1,834	\$147,787	\$53,942,087	\$27,790,963	\$26,151,124	\$106,471,827
Total HC and DD HC Model Cost																	
AL	\$71.18	4,975	\$354,100	\$129,246,672	\$75.45	4,975	\$375,347	\$137,376,819	\$70,295,718		\$77.69	4,975		\$141,070,416		\$68,390,938	\$278,447,236
ARC/EARC AFH	\$69.58 \$76.94	2,016 5.685	\$140,278 \$437.424	\$51,201,327 \$159,659,930	\$73.76 \$81.56	2,016 5.685	\$148,694 \$463,670	\$54,422,101 \$169.703.195	\$27,847,789 \$86.837.125	\$26,574,312 \$82,866,070	\$75.95 \$83.98	2,016 5.685	\$153,110 \$477 441	\$55,885,327 \$174,265,939	\$28,792,120 \$89,781,812	\$27,093,206 \$84.484.127	\$110,307,428 \$343.969.135
Total HC and DD Cost	\$73.51	12,676	\$931,803	\$340,107,929	\$77.92	12,676	\$987,711		\$184,980,633		\$80.23					\$179,968,272	
					VRI						VRI						
07/01/06 Rate Cost					0						0.00%						
HC	Current Weight Rate	Current Residents	Current Per Day	Current Per Year	FY08 Weight Rate	FY08 Residents	FY08 Per Day	FY08 Per Year	FY08 Fed Share	FY 08 State Share	FY09 Weight Rate	FY09 Residents	FY09 Per Day	FY09 Per Year	FY08 Fed Share	FY 08 State Share	07/09 Total
AL	\$65.79	4,975	\$327,325	\$119,473,789	\$65.79	4,975	\$327,325	\$119,801,115	\$61,302,230	\$58,498,884	\$65.79	4,975	\$327,325		\$61,552,896	\$57,920,893	\$239,274,904
ARC/EARC	\$56.09 \$70.27	1,806	\$101,295	\$36,972,646	\$56.09 \$70.27	1,806 4.061	\$101,295 \$285,369	\$37,073,941 \$104,444,904	\$18,970,735	\$18,103,205	\$56.09 \$70.27	1,806	\$101,295 \$285,369		\$19,048,307	\$17,924,339	\$74,046,587 \$208.604.439
AFH HC Total	\$65.85	4,061 10,842	\$285,369 \$713,989	\$104,159,535 \$260,605,970	\$70.27 \$65.85	10,842	\$285,369		\$53,444,457 \$133,717,423	\$51,000,447 \$127,602,536	\$70.27 \$65.85	4,061 10,842			\$53,662,993 \$134,264,196	\$50,496,543 \$126,341,774	
	-																
DD ARC/EARC	\$52.42	210	\$11,007	\$4,017,723	\$52.42	210	\$11,007	\$4,028,730	\$2,061,501	\$1,967,229	\$52.42	210	\$11,007	\$4,017,723	\$2,069,931	\$1,947,792	\$8,046,453
AFH	\$64.39	1,624	\$104,576	\$38,170,258	\$64.39	1,624	\$104,576	\$38,274,834	\$19,585,233	\$18,689,602	\$64.39	1,624	\$104,576		\$19,665,317	\$18,504,941	\$76,445,093
DD Total	\$63.02	1,834	\$115,584	\$42,187,981	\$63.02	1,834	\$115,584	\$42,303,565	\$21,646,734	\$20,656,831	\$63.02	1,834	\$115,584	\$42,187,981	\$21,735,248	\$20,452,733	\$84,491,546
07/01/06 Rates HC and DD Total Cost																	
AL	\$65.79	4,975	\$327,325	\$119,473,789	\$65.79	4,975	\$327,325	\$119,801,115		\$58,498,884	\$65.79	4,975		\$119,473,789	\$61,552,896	\$57,920,893	\$239,274,904
ARC/EARC AFH	\$55.71 \$68.59	2,016 5,685	\$112,302 \$389.945	\$40,990,369 \$142,329,794	\$55.71 \$68.59	2,016 5,685	\$112,302 \$389,945	\$41,102,671 \$142,719,738	\$21,032,237 \$73,029,690	\$20,070,434 \$69,690,048	\$55.71 \$68.59	2,016 5.685	\$112,302 \$380 045	\$40,990,369 \$142,329,794	\$21,118,238 \$73,328,310	\$19,872,131 \$69.001.484	\$82,093,040 \$285,049,532
HC and DD Total	\$65.44	12,676	\$829,572	\$302,793,952	\$65.44	12,676	\$829,572	. , .,	\$155,364,157		\$65.44	12,676				\$146,794,508	\$606,417,476
	·																
Increase HC Model Cost Vs. 07/01/06 Cost Le	evel																
HC AL	\$5.38	0	\$26,775	\$9,772,883	\$9.65	0	\$48,021	\$17,575,705	\$8,993,488	\$8,582,217	\$11.89	0	\$59,169	\$21,596,627	\$11,126,582	\$10,470,045	\$39,172,332
ARC/EARC	\$13.80	0	\$24,923	\$9,097,072	\$17.99	0	\$32,497	\$11,893,752	\$6,086,033	\$5,807,719	\$20.19	0	\$36,470	\$13,311,622	\$6,858,148	\$6,453,474	\$25,205,374
AFH HC Total	\$7.56	0	\$30,715 \$82,414	\$11,211,045 \$30,081,000	\$12.23	0	* -,	\$18,182,960 \$47,652,416	\$9,304,220 \$24,383,741	\$8,878,739 \$23,268,675	\$14.68	0	\$59,631 \$155,270	\$21,765,376 \$56,673,625	\$11,213,522 \$29,198,252	\$10,551,854	\$39,948,335 \$104,326,041
no rotal	-	0	ψ02,414	ψ30,001,000		0		ψ47,032,410	\$24,505,741	Ψ23,200,073		- 0	ψ133,270	ψ30,073,023	Ψ29,190,232	Ψ21,410,014	ψ104,320,041
DD ABO/FABO	044.50		#0.050		000.70		00.005	04 405 070	8700 540	0000 450	000.44		04.000	*4 500 000	0015 705	A=0= 004	***
ARC/EARC AFH	\$14.53 \$10.32	0	\$3,052 \$16,765	\$1,113,886 \$6,119,092	\$26.78 \$13.86	0		\$1,425,678 \$8.800.498	\$729,519 \$4,503,215	\$696,159 \$4,297,283	\$29.14 \$16.19	0	\$4,338 \$27,865	\$1,583,336 \$10,170,770	\$815,735 \$5,239,981	\$767,601 \$4,930,789	\$3,009,014 \$18.971.268
DD Total		0	, , , , , , , , , , , , , , , , , , , ,	\$7,232,978		0		\$10,226,176	\$5,232,734	\$4,993,442		0		\$11,754,106	\$6,055,715	\$5,698,391	\$21,980,281
Total HC and DD Increase		0		\$37,313,978	\$40.67	0	\$158,138	\$57,878,592	\$29,616,475	\$28,262,116	\$40.67	0	\$158,138	\$68,427,731	\$35,253,967	\$33.173.764	\$126,306,323
										-	******		*,	400,121,101	400,000,000	400,000,000	V
Compare with WAHSA Proposed	A WAHSA Proposed	B HC Model	C Current Rates	D (A - B) Difference	E (B - C) Difference	F (A - C) Difference	G D X 48.6598%	H E X 48.6598%	I F X 48.6598%								
Compare with WAHSA Froposed	FY08 - FY09	FY08 - FY09	FY08 - FY09	FY08 - FY09	FY08 - FY09	FY08 - FY09	FY08 - FY09	FY08 - FY09	FY08 - FY09								
HC	HC Biennium	HC Biennium	HC Biennium	HC Biennium		HC Biennium	State Inc Cost	State Inc Cost	State Inc Cost	1							
AL ARC/EARC	\$278,293,131 \$99,207,919	\$278,071,889 \$99,118,169	\$238,947,579 \$73,945,292	\$221,242 \$89,750	\$39,124,311 \$25,172,878		\$107,656 \$43,672	\$19,037,811 \$12,249,072	\$19,145,467 \$12,292,744								
Total		\$377,190,058	\$312,892,870		\$64,297,188				\$31,438,211								
	Model Rate	07/01/06 Rate	Total Increase	FYO	10		Y09	07/	20	7							
	woder Kale	07/01/06 Rate	Total increase	GF-F	GF-S	GF-F	GF-S	GF-F	GF-S	1							
HC AL/ARC/EARC		\$313,321,490	\$64,377,706	\$15,079,521	\$14,389,936	\$17,984,730	\$16,923,519	\$33,064,251	\$31,313,455	1							
DD ARC/EARC Cost Total BH Impact	\$11,055,467 \$388,754,664	\$8,046,453 \$321,367,944	\$3,009,014 \$67,386,720	\$729,519 \$15,809,040	\$696,159 \$15,086,094	\$815,735 \$18,800,465	\$767,601 \$17,691,121	\$1,545,254 \$34,609,505		\$67,386,720	Total 07/00 P	RH					
HC AFH	\$248,552,775		\$39,948,335	\$9,304,220		\$11,213,522	\$10,551,854	\$20,517,742		<i>\$01,000,120</i>	. O.u. 01/03 B						
DD AFH	\$95,416,360	\$76,445,093	\$18,971,268	\$4,503,215	\$4,297,283	\$5,239,981	\$4,930,789	\$9,743,195	\$9,228,072	1							
Total AFH Impact Total Impact	\$732,723,798	\$285,049,532 \$606,417,476	\$58,919,603 \$126,306,323		\$13,176,022		\$15,482,644 \$33,173,764	\$30,260,937	\$28,658,666 \$61,435,880	\$58,919,603	Total 07/09 A	\FH					
rotal Impact	ψ132,123,190	φυσυ,+17,470	ψ120,300,323	Ψ23,010,475	ψευ,ευε, I 10	400,200,30 <i>1</i>	ψου, 170,704	ψυτ,070,442	ψυ1,+ου,000	<u> </u> \$126,306,323	Total 07/09 B	H & AFH					
										,,500,020	J., CO D						

Note:

Wages Data per Department of Employment Security 2005 wages survey data

Administration and Operation Expenses per 2005 nursing home cost report selected account 25 PCT adjusted cost Payroll Tax and Fringe benefits per 2005 nursing home cost report 25 PCT cost.

Per Marshall Valuation Service
Assisted Living August 2004 (section 12 page 16) Calculator Method D, Good, Cost / Sq. Ft.
Adult Resident Care November 2004 section 11 page23 calculator Method D, Average, Cost/Sq. Ft.
Adult Family Home August 2004 Section 12 Page 20 Class D, Average, Sq. Ft.
April 2006 Washington State Local Multipliers index
April 2006 Current Cost Multipliers Index
Federal Reserve Board: Selected Long-Term Rates
10 years Composite Treasury Bond rate May 23 2006